



State of Connecticut
HOUSE OF REPRESENTATIVES
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

REPRESENTATIVE GARY TURCO
27TH ASSEMBLY DISTRICT

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VETERANS' AFFAIRS COMMITTEE

Dear Chairs Walker and Osten, Ranking Members France and Miner, and distinguished members of the Appropriations Committee Members,

I'm writing today to testify **in support of H.B. 5002: An Act Expanding Grants in Lieu of Taxes Payments to Include Manufacturing Machinery and Equipment Exempt from Property Tax.** Thank you for giving this bill a public hearing and for your consideration.

This legislation would greatly aid municipalities and provide an incentive for the recruitment of more manufacturing businesses to Connecticut. Currently, municipalities lose much needed revenue because of the current mandate that manufacturing machinery and equipment be exempt from property taxes.

Originally, when the tax exemption was created, municipalities were reimbursed 100% for their lost revenue. This reimbursement was later eliminated by the state. Although, the state has adjusted formulas to increase PILOT grants, it still does not equal the amount lost in revenue and adjusted. Municipalities have a disincentive to attract more manufacturing business which is a growing industry that would benefit our entire state. This bill would reinstitute a grant that would reimburse municipalities for lost revenue.

The Town Manager of Newington has estimated loss of over \$25,395,832 in revenue from 2011 to 2021. Re-establishing this reimbursement would provide an important boost to the revenue of almost all 169 Connecticut municipalities while continuing to provide an incentive for local manufacturers to grow their businesses.

I urge the committee to consider passage of bill and thank you for your time.

Sincerely,

A handwritten signature in black ink that reads "Gary Turco".

Rep. Gary Turco
Proudly serving the 27th House District